

Tax Strategies for your 2010 Tax Return:

Remember to take bonus depreciation of 50 % of cost of qualified tangible personal property used in your business. Qualified property includes qualified leasehold improvements made to commercial lease property for a tenant.

Then you can still elect to expense up to \$ 250,000 of depreciable personal property used in your business. Usually real or personal business property with a useful life of more than one year cannot be deducted in the first year but must be depreciated over the number of years assigned to it by the IRS. Section 179 allows you to expense the entire cost of business property in the first year up to the limits.

Both of these types of “extra” depreciation are also allowed for alternative minimum tax purposes.

For the first year most new passenger autos used more than 50 % in your business can take bonus depreciation which increases the limit for total 1st year depreciation to \$ 11,060. The bonus depreciation must be “recaptured” in the future if business use falls to less than 50 %.